

specialist is responsible for handling all the conventional buy and sell orders. However, the privilege of having the exclusive right to trade in a certain stock comes with certain obligations and responsibilities. Chief among these is the obligation to help stabilize the share price of the stock in which that specialist specializes in a volatile market. Thus, if the share price drops precipitously during the course of a day, the specialist is expected to cushion the falling share price by purchasing a significant number of the shares so as to prevent a free fall in the price of that stock. A specialist is typically human, but the specialist role may also be fulfilled by a virtual specialist, as disclosed in U.S. Patent No. 5,950,176 to Keiser, whose contents are incorporated to the extent necessary to understand the present invention.

Paragraph beginning at page 1, line 29:

Unlike the NYSE and the AMEX, the National Association of Securities Dealers Automated Quotations System (NASDAQ) does not have brokers and specialists, but rather has dealers, each of whom is free to handle trades in any stock. Thus, there is no official exclusivity in trading a particular stock and so each dealer is authorized to conduct transactions between buyers and sellers. Because a sale of a security on the NASDAQ can theoretically be handled by any number of dealers, transactions between buyers and sellers may not take place as rapidly as they do on the NYSE or AMEX. Furthermore, because there is no exclusivity, the dealers on the NASDAQ are in no way obligated to cushion the fall in the price of any given stock, a factor which contributes to wider percentage swings in the share prices of the stocks listed in the NASDAQ.

Paragraph beginning at page 2, line 17:

The composition of a mutual fund can be based on a number of criteria. While some mutual funds reflect the composition of particular well-known indexes, such as the 30 companies comprising the Dow Jones' Industrial Averages or the Standard & Poor's 500 (S&P 500), others are specific to a geographical area (e.g., an "Asia" fund), an industry sector (e.g., "biotechnology"), investment objective type (e.g., "growth"), or have have some other characteristic in common. Most mutual fund, regardless of their composition, include stocks traded on more than one exchange.